

RECORDATION NO. 27114-C FILED

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SURFACE TRANSPORTATION BOARD

November 12, 2008

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Partial Termination and Release of Security Interests and Liens, dated as of November 3, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Locomotive Security Agreement previously filed with the Board under Recordation Number 27114.

The names and addresses of the parties to the enclosed document are:

Agent: Bank of America N.A. (as successor by merger to LaSalle
Bank National Association)
100 North Tryon Street
Charlotte NC 28255

Borrowers: NRE Wheelworks, Inc.,
N.R.E. Acquisition Co., L.L.C.
NRE Alco Locomotives of Canada, Inc.
Alco Locomotive Company
NRE-Alco Locomotives of Canada Co.
14400 S. Roby Street
P.O. Box 2270
Dixmoor, IL 60429

Anne K. Quinlan, Esquire
November 12, 2008
Page Two

A description of the railroad equipment covered by the enclosed document is:

2 locomotives RELEASED: CTN 1307 and CTN 1364 (previously bearing NREX reporting marks).

A short summary of the schedule to appear in the index follows:

Partial Termination and Release of Security Interests and Liens.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal stroke extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

PARTIAL TERMINATION AND RELEASE OF SECURITY INTERESTS AND LIENS

WHEREAS, BANK OF AMERICA N.A. (as successor by merger to LaSalle Bank National Association), as Agent for the Lenders party to the Credit Agreement (as defined below) ("Agent"), NATIONAL RAILWAY EQUIPMENT CO., an Illinois corporation ("NREC"), NREC POWER SYSTEMS, INC., a Louisiana corporation ("Power Systems"), NRE WHEELWORKS, INC., an Illinois corporation ("NRE Wheelworks"), N.R.E. ACQUISITION CO., L.L.C., a Kentucky limited liability company ("NRE Acquisition"), NRE ALCO LOCOMOTIVES OF CANADA, INC., an Illinois corporation ("NRE-ALCO"), ALCO LOCOMOTIVE COMPANY, an Illinois corporation ("ALCO"), NRE-ALCO LOCOMOTIVES OF CANADA CO., a Nova Scotia unlimited liability company ("NRE Canada" and together with the NREC, Power Systems, NRE Wheelworks, NRE Acquisition, NRE-ALCO, ALCO and NRE Canada, the "Borrowers") are party to that certain Credit Agreement dated as of July 12, 2007 as amended by that certain First Amendment to Credit Agreement dated as of August 12, 2008 (as the same may be amended, modified, supplemented or restated from time to time, the "Credit Agreement") pursuant to which the Lenders have agreed to make loans to and issue letters of credit for the account of the Borrowers;

WHEREAS, the obligations of the Borrowers under the Credit Agreement have been secured pursuant to, among other things, that certain Locomotive Security Agreement dated as of July 12, 2007 executed by the Borrowers in favor of the Agent, for the benefit of the Lenders, recorded at the Surface Transportation Board ("STB") on August 14, 2007 under Recordation Number 27114 (the "Locomotive Security Agreement");

WHEREAS, NREC intends to sell certain locomotives listed on Exhibit A attached hereto (the "Locomotives"), which such Locomotives currently constitute Collateral (as defined in the Credit Agreement) under the Credit Agreement and Locomotive Collateral (as defined in the Locomotive Security Agreement) under the Locomotive Security Agreement; and

WHEREAS, the Borrowers have requested that the Agent release its lien in connection with the Locomotives and Lender has agreed to release such lien.

WHEREAS, Agent has agreed to release its lien in connection with the Locomotives and desires to execute this Release to evidence for the public record the satisfaction and release of all the rights and obligations of NREC under the Credit Agreement and Locomotive Security Agreement with respect to the Locomotives and hereby authorizes the recording of this instrument with the STB.

NOW, THEREFORE, for value received, the Agent, on behalf of the Lenders, hereby remises, releases and conveys unto NREC, without recourse or warranty of any kind, all right, title, claim or interest whatsoever the Agent or the Lenders have or may have in the Locomotives listed on Exhibit A. Unless specifically listed on Exhibit A hereto and released hereby, the security interests and liens in the remaining Collateral pursuant to the Credit Agreement and Locomotive Collateral pursuant to the Locomotive Security Agreement remain in full force and effect.

[signature page attached]

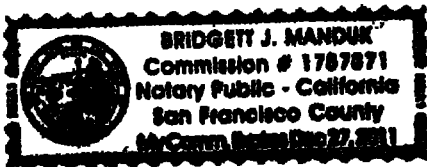
IN WITNESS WHEREOF, Agent has executed or caused this Release to be executed as of this 3rd day of November, 2008.

BANK OF AMERICA, N.A. (as successor by merger to LaSalle Bank National Association), as Administrative Agent

By: [Signature]
Name: JOAN MOK
Its: VICE PRESIDENT

STATE OF California
County of Contra Costa ss.

November 3, 2008, before me, Bridgett J. Manduk, the undersigned Notary Public, personally appeared Joan Mok, personally known to me to be the person who executed the within instrument as Vice President on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.



[Signature]
Notary Public for State of California
My Commission expires 27/Dec/2011

Exhibit A

Locomotives

CTN 1307 (previously marked as NREX 1307)

CTN 1364 (previously marked as NREX 1364)

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 11/12/08



Robert W. Alvord